

9216

RECEIVED
LEGISLATIVE AUDITOR
02 DEC 20 AM 10:06

**AVOYELLES SOCIETY FOR THE
DEVELOPMENTALLY DISABLED, INC.
FINANCIAL STATEMENTS**

JUNE 30, 2002

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/15/03

DUCOTE & COMPANY
Certified Public Accountants
219 North Main Street
P. O. Box 309
Marksville, LA 71351

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.**

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT	1
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF CASH FLOW	5
NOTES TO FINANCIAL STATEMENTS	6-9
SUPPLEMENTAL INFORMATION	10
USDA – REQUIRED SUPPLEMENTAL INFORMATION	11-12

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Avoyelles Society for the Developmentally Disabled, Inc.
Marksville, Louisiana

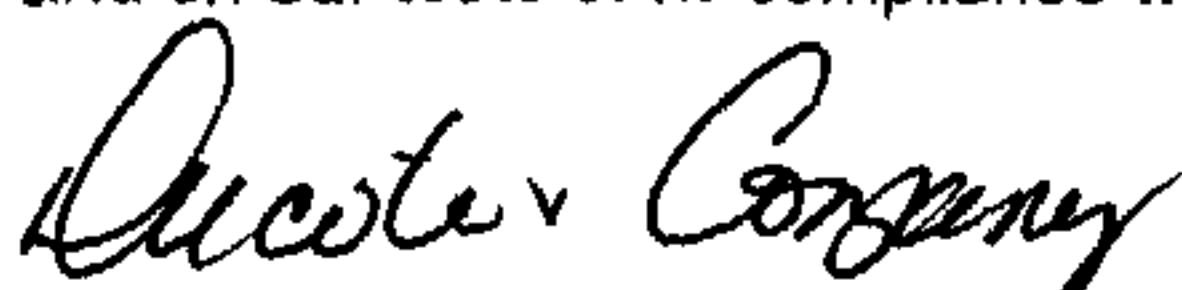
We have audited the accompanying statement of financial position of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) as of June 30, 2002, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Avoyelles Society for the Developmentally Disabled, Inc. as of June 30, 2002, and the changes in its net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph taken as a whole. The accompanying information on pages 10 to 12 is presented for purposes of additional analysis and is not a required part of the above financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements referred to above; and, in our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated December 12, 2002, on our consideration of Avoyelles Society of the Developmentally Disabled, Inc.'s internal control structure and on our tests of its compliance with certain laws, regulations, and grants.



DUCOTE & COMPANY

Marksville, Louisiana
December 12, 2002

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Avoyelles Society for the Developmentally Disabled, Inc.
Marksville, Louisiana

We have audited the statement of financial position of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) as of June 30, 2002, and the related statements of activities and cash flows for the year then ended, and have issued our report thereon dated June 30, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Avoyelles Society for the Developmentally Disabled, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Avoyelles Society for the Developmentally Disabled, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, State of Louisiana and Federal granting agencies, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.



DUCOTE & COMPANY

Marksville, Louisiana
December 12, 2002

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Statement of Financial Position
June 30, 2002**

ASSETS

Current assets:

Cash and cash equivalents	\$ 35,646
Accounts receivable - grants	<u>24,735</u>
Total current assets	<u>60,381</u>

Restricted assets:

Cash and cash equivalents	<u>19,316</u>
Total restricted assets	<u>19,316</u>

Fixed assets:

Buildings	449,012
Furniture and fixtures	4,559
Machinery and equipment	35,082
Training equipment	13,910
Transportation equipment	<u>31,066</u>
	533,629
Less accumulated depreciation	<u>(97,283)</u>
Net fixed assets	<u>436,346</u>

Total assets \$ 516,043

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 1,788
Accrued expenses	1,041
Notes payable (current portion)	<u>5,138</u>
Total current liabilities	<u>7,967</u>

Long-term liabilities:

Notes payable	<u>90,293</u>
Total long-term liabilities	<u>90,293</u>

Total liabilities 98,260

Net assets:

Restricted	19,316
Unrestricted	<u>398,467</u>
Total net assets	<u>417,783</u>

Total liabilities and net assets \$ 516,043

See accompanying notes to financial statements.

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Statement of Activities
Year ended June 30, 2002**

Support:

Dues and donations	\$ 3,014
Interest earned	362
Client service	69,693
Grants	286,906
Fundraiser income	7,302
In-kind revenue	3,300
Miscellaneous revenue	<u>5,356</u>

Total support	<u>375,933</u>
---------------	----------------

Expenses:

Program services:

Adult day services	273,439
Client service activities	66,610
In-kind expenditures	<u>3,300</u>

Total program services	<u>343,349</u>
------------------------	----------------

Increase (decrease) in net assets	32,584
--	---------------

Net assets, beginning of year	<u>385,199</u>
--------------------------------------	-----------------------

Net assets, end of year	<u>\$ 417,783</u>
--------------------------------	--------------------------

See accompanying notes to financial statements.

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Statement of Cash Flows
Year Ended June 30, 2002**

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 32,584
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	20,657
 (Increase) decrease in operating assets:	
Accounts receivable	674
Increase (decrease) in operating liabilities:	
Accounts payable	(3,960)
Accrued expenses	<u>(11)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES 49,944

CASH FLOWS FROM INVESTING ACTIVITIES:

 Payments for purchases of property and equipment (20,614)

**NET CASH FLOWS PROVIDED (USED) BY
INVESTING ACTIVITIES** (20,614)

CASH FLOWS FROM FINANCING ACTIVITIES:

 Decrease in long-term notes payable (4,982)

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES (4,982)

**NET INCREASE (DECREASE)
IN CASH AND CASH EQUIVALENTS** 24,348

BEGINNING CASH AND CASH EQUIVALENTS 30,614

ENDING CASH AND CASH EQUIVALENTS \$ 54,962

See accompanying notes to financial statements.

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Notes to Financial Statements
June 30, 2002**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Avoyelles Society for the Developmentally Disabled, Inc. is a nonprofit organization exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code. The Society was formed in 1968 to provide day services for and assistance to the adult handicapped residents of Avoyelles Parish, Louisiana. The Society participates as a provider agency in the Department of Health & Hospitals Title XX Day Developmental training services.

Basis of Accounting

The Society maintains its accounting records on the accrual method of accounting, except that membership dues and donations are included in support in the period received.

Fixed Assets

Fixed assets are recorded at cost. Assets are depreciated over their estimated useful lives using the straight-line method, using the following lives:

Furniture & fixtures	3 - 5 years
Machinery & equipment	5 - 8 years
Vans	4 years
Buildings	30 years

Donated Services

Donated labor is valued at the minimum wage rate in effect at the time of the donated services. Professional time, which is donated, is valued at the current market rate of the specific project. Donated materials are valued at current market value at the time of the donation.

Cash and cash equivalents

For purposes of the statement of cash flows, the Society considers all highly liquid investments with an initial maturity of less than three months, as cash and cash equivalents.

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Notes to Financial Statements (continued)
June 30, 2002**

NOTE B - GRANTS

The Society participated in three grants for the year ended June 30, 2002:

Cash Grants:

Federal/State Grant - Medical Assistance Program MR/DD Waiver Services	\$ 37,227
United Way	36,079
State of Louisiana Grant - Department of Health and Hospitals Title XX Adult Day Programs	<u>213,600</u>
Total cash grants received	<u>\$ 286,906</u>

NOTE C - FIXED ASSETS

A summary of fixed assets is as follows:

	Balance June 30, 2001	Additions	Retirements	Balance June 30, 2002
Buildings	\$ 449,012	\$ -	\$ -	\$ 449,012
Furniture & fixtures	3,764	795	-	4,559
Machinery & equipment	23,356	11,726	-	35,082
Training equipment	5,817	8,093	-	13,910
Transportation equipment	<u>31,066</u>	<u>-</u>	<u>-</u>	<u>31,066</u>
	513,015	<u>20,614</u>	<u>-</u>	533,629
Accumulated depreciation	(76,626)	\$ (20,657)	\$ -	<u>(97,283)</u>
Net fixed assets	<u>\$ 436,389</u>			<u>\$ 436,346</u>

NOTE D - RESTRICTED NET ASSETS

The loan covenant for the outstanding loan with the USDA requires a reserve account deposit each month in the amount of \$80.34, until the balance of \$9,642 is accumulated. Funds from this account may be used to (1) pay the cost of repairs or damage to the facility which may have been caused by catastrophe or (2) to make extensions or improvements to the facility. If these funds are utilized, monthly installments must be resumed until the minimum balance is reached. As of June 30, 2002, the reserve account was funded in the amount of \$4,316 and these funds are presented as restricted net assets on the financial statements.

The Society received a \$15,000 grant from United Way on May 16, 2002. These monies are restricted for capital improvements and these funds are presented as restricted net assets on the financial statements.

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Notes to Financial Statements (continued)
June 30, 2002**

NOTE E - GRANTS RECEIVABLE

Grants and contracts receivable are deemed to be fully collectible by management and are comprised of the following amounts due at June 30, 2002:

Dept of Health & Hospitals - MR/DD Waiver Services	\$ 6,764
Dept of Health & Hospitals - Adult Day Program	<u>17,971</u>
	<u>\$ 24,735</u>

NOTE F – LONG-TERM NOTES

The Society has a 4.75% note that is payable to the USDA in monthly installments of \$797 that is secured by the land and building and has principal outstanding of \$95,431 at June 30, 2002.

Future debt service requirements are:

Fiscal Year Ended: June 30,	Principal	Interest	Total
2003	\$ 5,138	\$ 4,426	\$ 9,564
2004	5,386	4,178	9,564
2005	5,649	3,915	9,564
2006	6,211	3,353	9,564
2007	6,512	3,052	9,564
2008 – 2015	<u>66,535</u>	<u>15,316</u>	<u>81,851</u>
Totals	<u>\$ 95,431</u>	<u>\$ 34,240</u>	<u>\$129,671</u>

NOTE G – DEFERRED ANNUITY CONTRACT

The Society established a tax-deferred annuity arrangement, effective January 1, 2001, under the provisions of Section 403(B) of the Internal Revenue Code. Under the plan, eligible employees may elect a salary reduction up to the maximum allowable annual amount as established by Section 402(g) of the Internal Revenue Code. No employer (Society) contributions are made to the plan.

NOTE H – SUBSEQUENT EVENTS

In October 2002, the Society applied for a \$375,000 capital outlay request from the State of Louisiana. The Society received a Priority II status funding of \$40,000 and Priority V status funding of \$335,000 in Act 22 of 2002 - the State of Louisiana General Appropriations Bill for the fiscal year ending June 30, 2003. The Society has filed the appropriate request with the State of Louisiana to receive its allocated funding. To date, the Society's request has not been presented before the State Bond Commission for approval. The purpose of the capital outlay request is to receive funding to complete Phase III of the Society's renovation plan. Phase III would complete the renovations to the remaining 50% of the building, which is currently only 25% improved. The completion of Phase III would allow the Society to provide services to many more clients and to provide additional training projects and facilities for all clients.

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
Notes to Financial Statements (continued)
June 30, 2002**

NOTE H – SUBSEQUENT EVENTS (continued)

On April 26, 2002, the Society entered into an irrevocable letter of credit for \$8,000.00, with Cottonport Bank, which expires on April 26, 2003. The purpose of the letter of credit is to obligate a source of funds for the required 20% local match for a Federal Urban Mass Transportation Capital Improvement Grant application.

SUPPLEMENTAL INFORMATION

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
United States Department of Agriculture
Required Supplemental Information
Unaudited
June 30, 2002**

1. Current list of the Board of Directors, offices held, addresses, telephone numbers, and term of office.

<u>Board Member</u>	<u>Address</u>	<u>Telephone</u>	<u>Term Expires</u>
Lionel Bordelon President	P.O. Box 267 Moreauville, LA 71355	318-985-2708	6/30/02
Oscar Goody Vice-President	625 Lemoine St. Moreauville, LA 71355	318-985-2179	6/30/02
Eleanor Gremillion Secretary	P.O. Box 365 Marksville, LA 71351	318-253-9222	6/30/02
Jan Borrel Treasurer	532 N. Washington Marksville, LA 71351	318-253-8611	6/30/02
Frank Havard Parliamentarian	P.O. Box 380 Marksville, LA 71351	318-253-7518	6/30/02
Rev. Gary Jones Director	4178 Hwy 1192 Marksville, LA 71351	318-253-5875	6/30/02
Peter Economo Director	221 W. Waddil St. Marksville, LA 71351	318-253-2006	6/30/02
Steward Meaux Director	P.O. Box 300 Dupont, LA 71329	318-922-3953	6/30/02
Harold Quebedeaux Director	P.O. Box 366 Mansura, LA 71350	318-964-2688	6/30/02
Lennie Neyland Director	204 Leglise St. Mansura, LA 71350	318-964-5268	6/30/02
Dr. Rene' Desselle Director	1837 Leglise St. Mansura, LA 71350	318-964-2300	6/30/02
Roy Gremillion Director	P.O. Box 81 Mansura, LA 71350	318-964-2948	6/30/02

**AVOYELLES SOCIETY FOR
THE DEVELOPMENTALLY DISABLED, INC.
United States Department of Agriculture
Required Supplemental Information (continued)
Unaudited
June 30, 2002**

2. List the number of residential and commercial users of the utility system.

Not applicable

3. Number of commercial users having a meter larger than the residential size (3/4").

Not applicable

4. The present water and/or sewer rates.

Not applicable

5. Schedule of Insurance:

Description of Insurance	Limits	Exp. Date
Property Insurance:		
Building & Contents	\$615,000 Blanket	July 1, 2003
Employee Dishonesty	\$ 30,000	July 1, 2003
Liability Insurance:		
General Liability:		July 1, 2003
Each Occurrence	\$ 1,000,000	
Aggregate	\$ 3,000,000	
Fire Damage	\$ 200,000	
Medical Payments	\$ 15,000	
Deductible Per Claim	None	
Sexual/Physical Abuse	\$ 1,000,000	
Watercraft	\$ 1,000,000	
Professional Liability:		July 1, 2003
Each Occurrence	\$ 1,000,000	
Aggregate	\$ 3,000,000	
Automobile:		July 1, 2003
Liability	\$ 1,000,000	
Deductible	None	
Medical Payments	\$ 5,000	
Uninsured Motorists	\$ 1,000,000	
Comprehensive	\$250 Deductible	
Collision	\$500 Deductible	
Non-Owned/Hired		
Auto	\$ 1,000,000	
Directors & Officers		
Liability Umbrella	\$ 1,000,000	July 1, 2003
Workers' Compensation Insurance:		
Insured Through Louisiana Workers'		
Compensation Corporation		June 30, 2002